

# City of Biggs

City Administrator agenda item request for the next  
( X ) Regular ( ) Adjourned Regular ( ) Special Meeting  
Meeting Date: January 23, 2012 6:00PM

Date: January 18, 2012  
To: Honorable Mayor and Members of the City Council  
From: City Administrator  
Subject: Ancillary Benefits for Post-Employment (Action)

Council will consider approving the concept and a process for providing limited ancillary employee benefits to retirees.

## Background

Biggs provides certain employment benefits to active employees as stated in the Personnel Manual and in the Labor MOU including vacation, holidays, health and life insurance. Most benefits cease at retirement or separation. Limited City contribution toward medical insurance (the minimum required amount) is provided to retirees per the City's agreement with CalPERS; this is a requirement of all agencies for CalPERS participation.

The City has been accepting payment from one recent retiree for continued dental and vision insurance on a pass-thru basis – that is, the employee pays the full cost of the premium. Staff recently contacted the dental and vision insurance providers to confirm that this practice is allowed; the practice is acceptable to them. They also offer individual plans.

City Attorney Greg Einhorn drafted a simple agreement that could be used for continuing the current arrangement, authorizing the City to provide the benefit on a pass-thru basis and relieving the city of the payment to the third party when/if payments to the City stop.

Attachment (1):  
Draft Dental and Vision Insurance Payment Agree and Authorization

## Recommendation

Approve the continued practice of providing dental and vision insurance coverage to retirees who request it, and do so only on a 100% pass-thru basis. Authorize City Administrator to execute said agreements and terminate the benefit when pass-thru payments are not made. The benefit will be allowed only for retirees and for separated employees while on COBRA.

## Fiscal Impact

No budget impact; negligible administrative effort to include this in monthly batch processing.

## **Dental and Vision Insurance Payment Agreement and Authorization**

I, \_\_\_\_\_, agree as follows:

I will submit the sum of \$\_\_\_\_\_ each month to the City of Biggs (City). This is the full amount of my monthly dental and vision insurance premium payment. In the event the premium changes, I agree to pay that new amount. The intent of this agreement is that the coverage continue at no cost to the City.

I authorize the City to transfer that sum to the dental and vision insurance carrier.

I understand that this authorization does not obligate the City to provide such insurance coverage in the event that I do not continue to make said monthly payments.

Dated: \_\_\_\_\_